A REASONED, STRATEGIC APPROACH TO SUCCESSFUL, PROFITABLE RACING EVENTS IN BALTIMORE CITY

PRESENTED BY

O'NEILL Motorsports Group

JANUARY 7, 2012 | Amended JANUARY 10, 2012

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4200 PENNINGTON AVENUE * BALTIMORE, MD 21226 * P. 410-354-8883 * F. 410-354-8077

Deputy Mayor Kaliope Parthemos
City Hall, Room 250
100 North Holliday Street
Baltimore, Maryland 21202

Dear Deputy Mayor Parthemos,

It was a pleasure to share with you, Councilman Cole and Colin Tarbert the vision that the O'Neill Team has for the future of the Baltimore Grand Prix. We hope that we were able to convey the passion, the excitement and the commitment this team brings and our promise to work side by side with the many stakeholders to ensure the success and future of this event.

The additional information that you will find should provide in detail several of the points that we touched on doing our presentation. Please do hesitate to contact us at any time if there are still questions or something is not clear.

Thank you for the opportunity provided us to participate in something that we believe will be a change agent for our city and communities.

Respectfully Submitted,

Gregory K. O'Neill & Sharon R. Grinnell

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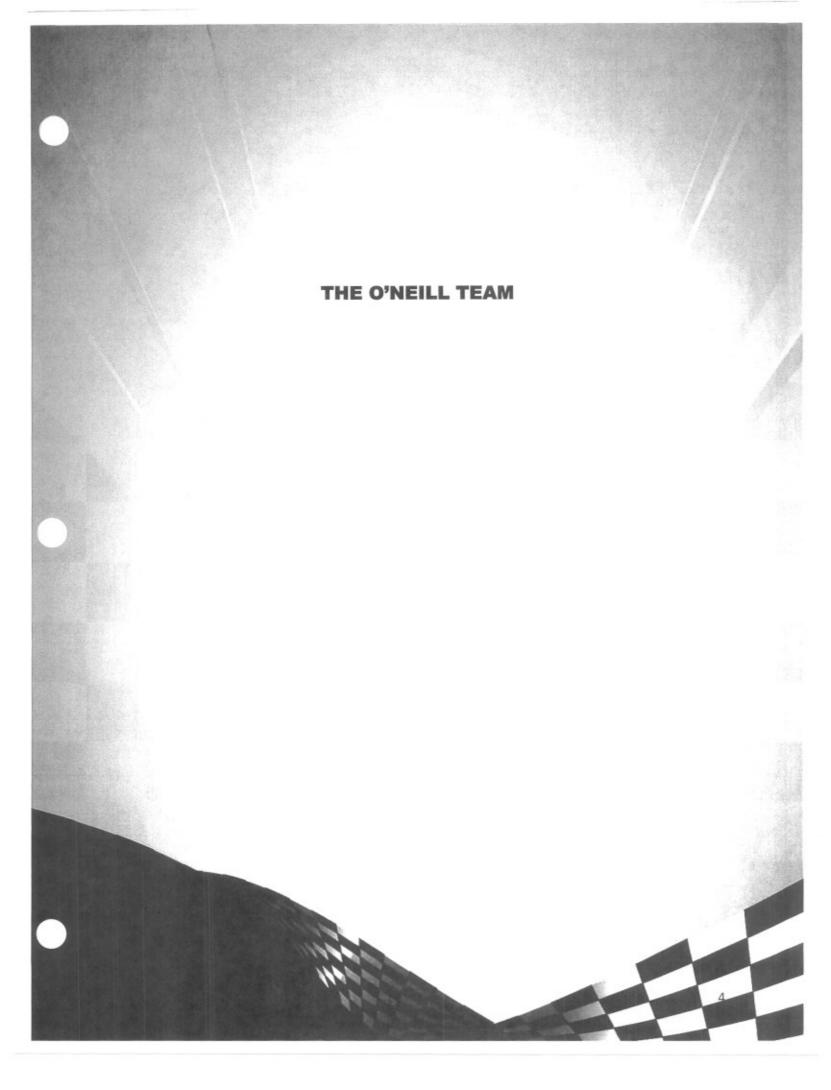
THE O'NEILL TEAM

GREGORY K. O'NEILL, Vice President, BMW Construction Specialists, Inc.

Experience

Mr. O'Neill brings to BMW Construction Specilaist, Inc. over Thirty (30) years of successful environmental abatement, demolition, renovation and construction experience in residential, commercial and industrial projects through field supervision and project management. For the past 10 years Mr. O'Neill has been instrumental in the direction that BMW Construction Specialist, Inc. has pursued. With his assistance and co-direction, the corporation has grown from a small demolition company to a corporation that is projected to gross $12 Million-dollars in fiscal '11.

Previous Employment

April 2000 – Present: BMW Construction Specialist, Inc, Vice President

1995 – April 2000: Multi-Craft Services – Commerical GC Owner/Manager for Retro Fit of Tenant office and Retail Space

1994 – 1995: Brown & Root Services – Commerical GC
Project Manager for Scattered Sites Renovation for the Housing Authority of Baltimore City

1989 – 1994: H&R Construction Specialist, Inc. – Commerical/Industrial Subcontractor Project Manager for Envirnomental Abatement / Demolition in preparation of the HABC high-rise implosions of Hollander Ridge, Broadway Towers and Flag House Courts

About

As a youth, Greg developed a passion for motorsports. He competed in the sport of Motorcross in the early 1970s when the sport was in its infancy in the U.S. After serving in the U.S. Navy in the late 1970s, Greg redirected his motorsport pursuit toward Sprint Car racing. He acquired sponsorship from Hershey's Chocolate and soon after he was hired to build a new professional team by renowned artist Sal Scarpitta. In the mid 1980s, Sal Scarpitta, having recognized Greg's knowledge and skill, approached his friend Luciano Benetton of Benetton Colors, who agreed to accept Greg into his 1987 F1 series driver development program.

After complications from sustaining a broken back in a Sprint Car racing accident, Greg was sidelined as a driver. He subsequently created a racing school for novice and amateurs that spawed many talented competitors who continue to maintain successful racing careers today. Greg's daughter Sheena, through her childhood being a part of her dad's experiences, eventually competed successfully in the World Karting Association series.

SHARON R. GRINNELL, CEO & President, sGRINNELL

About

2009 -

Sharon R. Grinnell, President and Managing Partner, oversees all aspects of sGRINNELL ENTERPRISES, LLC. Past roles have included Executive Director of Doracon Development, Chief Operating Officer & Director of the Westside Initiative for Baltimore Development Corporatio, Project Coordinator for The Enterprise Social Investment Corporation, Project Manager for Design Construction and Foreman & Laborer for Harkins Carpentry Division,

Education

- University of Maryland at College Park School of Public Affairs, Affordable Housing Finance Certificate of Completion
- Catonsville Community College Construction Management Certificate
- Messiah College Bachelor of Science

2005 - 2009

Doracon Development, LLC
Executive Director for Development

In 2005, Ronald H. Lipscomb, owner & president of Doracon Contracting, hired Sharon Grinnell to work with him to start Doracon Development, LLC. Sharon oversaw all real-estate activity for Doracon Development including market-rate residential, commercial, mixed-use and industrial. Was responsible for hiring staff, coordinating and assembling project teams. Representing owner's interest at Partners Meeting and negotiations with perspective investors, partners, other developers, third party consultants and Federal, State & City agencies.

1999 - 2005

City of Baltimore Development Corporation
Chief Operating Officer

Ms. Grinnell was responsible for the operation and flow of the office, directing and monitoring the implementation of the Board's and President's decisions and policies. Interpreting and implementing decision and policies for staff. Formulating and implementing office policies, practices, procedures, and long term goals for the organization. In addition, oversaw the Downtown Westside Initiative, a multi-billion dollar redevelopment of a former retail district.

1996 - 1999

City of Baltimore Development Corporation
Director of Economic Development – West / Team Leader

Oversaw diverse real estate, business development, and retention projects for a specified geographic territory of Baltimore City. Position involved supervisory responsibility for professional and administrative staff and required assembling, coordinating, motivating and directing staff, project teams and other public private agencies in the execution of projects.

1995 - 1996

City of Baltimore Development Corporation
Development Officer

Responsibilities included overseeing and facilitating real estate projects in Baltimore City. Acted as the City's representative to developers. Participated in development planning with developers, and State, Federal and City agencies.

1989 - 1994

Enterprise Social Investment Corporation (Enterprise Foundation)
Project Coordinator

Responsible for overseeing settlements for Enterprise Construction Corporation projects including all Baltimore Nehemiah sites. Settlements responsibilities included review and finalizing documents and funding. Acted as Developer's Representative to on-site contractors, and City, State, and Federal agencies. Oversaw customer service for over 700 townhouses. Participated in development planning and coordination.

GREG N. REAMER, Esquire

Mr. Reamer has been a member of the Maryland Bar since 1979; and his practice areas include taxation, estate planning and business law.

Mr. Reamer has been awarded the Martindale-Hubbell Law Directory's highest accolade: an AV rating.

Mr. Reamer has been selected to Maryland Super Lawyers in 2011 and 2012.

Mr. Reamer was born in Baltimore, Maryland on June 26, 1955. He graduated from Emory University (B.A. in Economics, 1976) and the University of Maryland School of Law (J.D., 1979). In addition, Mr. Reamer performed post graduate law studies in Taxation at the University of Miami School of Law, and in 1980 he was awarded an LL.M. in Taxation. In January, 1987, Mr. Reamer established his own law firm. Mr. Reamer has taught a number of courses and seminars in the tax, estate planning and business area.

JEFF KNAPPLE

Jeff Knapple served as President and CEO of Envision, a naming rights consulting firm based in Los Angeles, California. To date, Knapple has negotiated more than $1 billion in overall sponsorship deals for his clients.

Although he had envisioned himself in the sports industry at a young age, Knapple, like many future sports executives, pictured himself on the field rather than off. In 1980, upon graduating from the University of Northern Colorado, Knapple joined the Denver Broncos as a quarterback. His career with the Broncos lasted only one season and before he knew it he was calling plays from the boardroom.

In 1986, Knapple began his business training at Chicago-based Frankel & Company, a large sports promotion firm where he served as Director for three years. It was here where Knapple found his niche in negotiating sponsorship packages. At Frankel, he arranged creative and valuable sports marketing packages for clients including McDonald's, United Airlines, Oscar Mayer, and Target Stores.

After fine-tuning his negotiation skills at Frankel, Knapple moved on to Kemper Sports, a consulting and event management firm. Kemper provided Knapple a forum to polish his managerial skills. He served as President of Kemper Sports for three years and oversaw the company's strategic involvement in the Kemper Open (PGA), World Match Play (PGA), Ko-Olina Senior Open (Senior PGA), Maui Invitational (College Basketball), and NutraSweet Professional Figure Skating Championships. Additionally, he advised such corporate clients as Kraft USA, Wesley Jessen, Brachs, and Denon on their sponsorship investments.

After reaching the zenith of the Kemper Sports compendium, Knapple left for greener pastures. He went to ProServ (now SFX Entertainment) as a Board Member and Managing Director where he spearheaded the company's invasion into the consulting and venue naming rights industries. Under his leadership, these divisions were responsible for such monumental deals as the STAPLES Center, home of the Los Angeles Lakers, Kings, and Clippers; Philips Arena, home of the Atlanta Hawks and Thrashers; and for such corporate clients as Hershey, Helene Curtis, Coca-Cola, Foot Action and Schering Plough, which evolved to become the largest and most profitable entities for ProServ.

He spent five years at ProServ before the entrepreneur in him decided it was time to go on his own. Recognizing the overwhelming opportunities in the exploding field of venue naming rights, and foreseeing the convergence of the worlds of sports and entertainment, Knapple formed Envision in August of 1998 in a partnership with the Philip F. Anschutz Corporation.

Since the creation of Envision, Knapple has clearly proven himself a well-respected leader in the field of venue naming rights having negotiated the $88 million naming rights deal for Nashville's Gaylord Entertainment Center, $84 million SAVVIS Center in St. Louis and assisted in the HealthSouth Training Center in Los Angeles. Other North American clients represented by Envision include the California Speedway, Kansas Speedway, SkyDome, MGM Grand Garden Arena, Universal CityWalk and a new Winston Cup NASCAR team.

Having been a "player" on both sides of the field, Jeff Knapple offers a unique perspective to climbing the sports world corporate ladder. As a result, he can offer advice on the industry that most other executives cannot. **"Anyone seeking their first job in the sports industry should understand most employers in the field do not care if they can quote statistical information regarding the business. Rather, we all look for intelligence and the ability to apply knowledge to the business of sport. How someone comports themselves, communicates with others, and overall intelligence is the key to opening the door,"** he said.

He now has more than 25 years in the venue naming rights and consulting business and is at the forefront of the ever-evolving sports and entertainment industry.

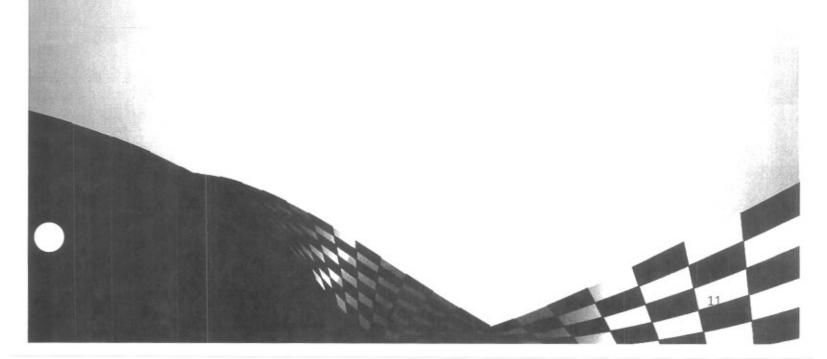
TIMOTHY WATKINS, President and CEO, Renegade

Tim Watkins is President and CEO of Renegade. He joined the company in 1991 and has since turned the once small production firm into a multi-faceted strategic advertising agency and production company. His background in finance and accounting combined with a strong work ethic have resulted in a thriving media company that serves national clients such as Comcast, Time Warner Cable, Under Armour, Black & Decker and McCormick – among many others.

As Renegade's most senior client contact, Tim's leadership and vision, in-depth understanding of financial principles, as well as a wealth of marketing communications experience, make him a valuable resource to client management as well as the Renegade team.

In 1995 Tim founded Leo McWatkins Films, a production company that focuses on storytelling, long-form programming and documentary filmmaking. Among his many roles, Tim is also a producer and director. He directed and produced the four-time, award-winning documentary *In the Face of Evil: Regan's War in Word and Deed*. His other credits include: *Distant Signals*, and the award-winning short film *PUSH (www.pushshortfilm.com)*.

Recently, Tim was selected as one of the 2012 Baltimore SmartCEO magazine's Future 50 Award winners. Outside of the business realm, Tim is an avid participant in several charitable organizations, recently participating in the creation and development of the Center for Adult Autism at Towson University. He runs his company like he lives his life; having fun and working hard but always remembering where he came from. Tim serves as an example to his employees and has made Renegade one of the best places to work. When he's not working, Tim is at home in Westminster with his wife Susan and their three children - Megan, Timothy and Brian.

For more information on Renegade, please visit www.renegadecommunications.com.

PROPOSAL

January 7, 2012

This proposal outlines the basis upon which Baltimore Motorsports Group, LLC, a limited liability company to be formed ("BMG"), would own and operate the Baltimore Grand Prix in 2012 and thereafter.

1. Strategic Members and Consultants. BMG will include financial members who shall fund BMS with sufficient funds to (i) obtain the necessary assets to run the Baltimore Grand Prix and (ii) to operate the Baltimore Grand Prix on an on-going basis. BMG will obtain the services of strategic consultants including, but not limited to, (i) Renegade Productions for local production and marketing expertise, (ii) an additional recognized international expert in branding and title sponsorships, and (iii) an additional recognized expert in street course races to provide logistical leadership.

2. Escrow. On the date of the acceptance of this proposal by Baltimore City (the "City"), there shall be deposited into a separate escrow account of Tydings & Rosenberg, LLP, as Escrow Agent (the "Escrow Agent") the sum of One Million Dollars ($1,000,000) (the "Escrowed Funds"). Upon termination of this proposal for any reason or no reason by either the City or BMG, the Escrow Agent shall immediately return the Escrowed Funds to BMG or its designee. The City shall have no claim to, or interest in, the Escrowed Funds, and the Escrowed Funds may be withdrawn at any time by BMG for any reason or for no reason without the consent of the City or liability to the Escrow Agent; whereupon the provisions of this proposal shall be terminated without any liability whatsoever on the part of the Escrow Agent, BMG or the parties signing this proposal on behalf of BMG.

3. Due Diligence Investigation. From the date hereof, the City shall cooperate with BMG and its representatives and agents (the "BMG Representatives"), including but not limited to, Alan Grochal, Esquire of Tydings & Rosenberg, LLP, who is BMG' primary debtor-creditor attorney in the conduct of BMG' due diligence investigation. Any of the BMG Representatives may make or cause to be made such investigations as they deem necessary or advisable of Baltimore Racing Development ("BRD") and its creditors, claimants, vendors, sanctioning bodies, businesses and assets, as well as with the City, State of Maryland, and various agencies thereof. It is important that the BMG Representatives have full and complete access to contracts and other agreements with various parties, governments and governmental agencies, all of its books and records. Notwithstanding anything to the contrary

contained herein, at any time prior to the full execution of the definitive agreement between BMG and the City, BMG may terminate this proposal for any reason or for no reason without liability on the part of BMG or any person signing this proposal on behalf of BMG.

4. Creditors and Claimants. It is intended that as soon as practicable Alan Grochal, Esquire will investigate as one of the BMG Representatives the debts, claims, and other obligations of BRD to determine how BMG desires to proceed to address such debts and claims, as well as to negotiate with parties regarding any binding obligations.

5. Definitive Agreement with the City. It is intended that the definitive motorsports agreement approved by the Baltimore City Board of Estimates, among other things, would provide the following: (i) the City would grant to BMG exclusive rights for the Baltimore Grand Prix that be in effect for five (5) years (with options of BMG to renew) and (ii) such other terms as the parties shall require.

6. No-Shop. By agreeing in writing to this proposal, the City recognizes that the investigation and due diligence contemplated by this proposal may involve the expenditure of substantial time and expense by BMG. Therefore, from the date of this proposal until January 31, 2012, neither the City nor any of its agencies shall (a) entertain, solicit or encourage, directly or indirectly, in any manner, (b) furnish or cause to be furnished any information to any persons or entities (other than BMG) in connection with, or (c) negotiate or otherwise pursue, or negotiate or otherwise pursue the granting of rights to operate the Baltimore Grand Prix to any person or entity other than BMG.

7. Termination. In the event that for any reason a definitive motorsports development agreement with the City and BMG has not been executed and delivered by January 31, 2012, either party may terminate this proposal without liability on the part of any party, except for obligations of the City under paragraph 6 hereof.

8. No Binding Agreement. Since this proposal is only of an expression of BMG' and the City's current intent, it is expressly understood that no liability or obligation of any nature whatsoever is intended to be created hereunder (except for obligations of the City under paragraph 6 hereof). It is understood and agreed that BMG' and the City's respective obligations to consummate the transaction contemplated by this proposal are expressly conditioned upon the execution and delivery by BMG and the City of a definitive written agreement, in form and substance satisfactory to both BMG and the City, and the satisfaction of the conditions set forth therein. Neither BMG nor the City shall be obligated for any expenses, charges or claims whatsoever of the other party arising out of this proposal or otherwise (except for breaches of the City's obligations under paragraph 6 hereof).

EXHIBIT A **Strategy**

Organizational, Logistical and Financial Strategy

- Review all records, reports and contract information from Grand Prix 2011 to deliver a grounded assessment note: it is essential to garner all existing information before finalizing the strategic plan for 2012
- Based on successful execution and access to information needed for the Assessment Report, plan and execute a profitable Grand Prix Event 2012, incorporating lessons learned from Grand Prix 2011, partnering with leaders in Baltimore City government and Grand Prix 2011 Management Team
- Fund and embed representatives from the new 2012 team within Baltimore City Government offices as appropriate
- Establish credentialed leadership within the new 2012 team to include Gregory K. O'Neill, Sharon N. Grinnell; experienced advisers who provide legal guidance and financial expertise, structured logistical oversight, access to branding title sponsors
- Engage and oversee essential staff at every level of planning
- Provide a detailed outcomes and evaluation report on the 2012 event
- Provide a detailed strategic plan for 2013
- Continue to grow revenues through sponsorship, branding and broadcast rights
- Develop the Baltimore Grand Prix in a way that includes other events throughout the year

EXHIBIT B **Organizational Chart**

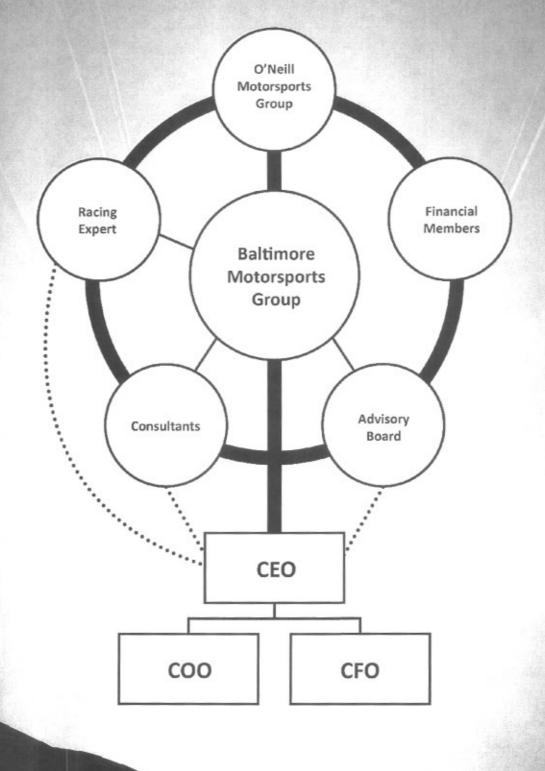



EXHIBIT C **Proforma & Funding**

See attached.

January 9, 2012

Dear City of Baltimore:

We understand that you have requested proof of funds in connection with the proposal of Greg O'Neill and Baltimore Motor Sports, LLC to be granted the rights to the Baltimore Grand Prix.

To this end, the purpose of this letter is to confirm that one of the principals in this project has in excess of $4,000,000 of available funds on deposit with PNC. The principal is a valued client and has maintained a long-standing relationship with the bank.

Please do not hesitate to call me at 410-237-5479 if you are in need of any additional information.

Sincerely,

Amy England
Banking Advisor &
Vice President
Wealth Management

Member of The PNC Financial Services Group
Two Hopkins Plaza Baltimore Maryland 21201-2930

EXHIBIT D **Prospective Sponsors**

Ford

Chevrolet

Toyota

Honda

Infinity

Verizon

Go Daddy

CBS Baltimore

EXHIBIT E Board of Advisors

O'Neill Motorsports Group

Indy Racing League

Mayor's Designee

Governor's Designee

Business Community

Neighborhood Group(s)

Merchants Association

Downtown Partnership

Inner Harbor Organization

- This is merely a representation of the entities that would/could be invited to be members of the Board.

our team. We have been in lengthy and very positive conversation with Bud Denker, Sr. Vice President of Penske Corporation, Jim Michaelian, President of Grand Prix Association of Long Beach, only to have them both decline to become involved for timing reasons. We most recently reached out and spoke with Randy Bernard, President of Indy Racing League to solicit thoughts and names of other racing/racing events individuals and/or entities that would be acceptable to the league. In addition we are currently discussing terms with Corrigan Sports Enterprises that could lead to them potentially providing the "event" expertise locally. And most recently we have contacted Michael Andretti, President of Andretti Autosport to see what level of an interest in The Baltimore Grand Prix. Finally, we have not ruled out the option of engaging in conversation with Dale Dillion at the appropriate time.

Time is of the essence, but so is selecting the team best suited for taking over and positioning the Grand Prix and other events associated with it for the future. Through our conversations, it has been made clear to us that many see the potential and value of the race continuing, but are hesitatent to step towards the opportunity until our team has been selected. If selected, we would engage the City in the interview process with us in choosing the "race and/or event" expert.

WHY O'NEILL MOTORSPORTS GROUP

- LOCAL OWNERSHIP
- TAXPAYERS INVESTMENT PAID
- PROGRAM TO WORK WITH PREVIOUS VENDORS
- BRANDING AND TITLE SPONSOR EXPERT
- CBS LOCAL SPONSOR EXPERT
- SHARED VISION WITH CITY ADMINISTRATION
- INCLUSIVE & DIVERSE
- OUT OF THE BOX THINKERS
- PROGRAM TO INTERGRATE THE COMMUNITIES
- RACE/EVENT EXPERT WILL BE STAKEHOLDERS